

**MINUTES OF THE
REVENUE AND TAXATION INTERIM COMMITTEE**
Wednesday, September 16, 2009 – 2:00 p.m. – Room 445 State Capitol

Members Present:

Sen. Wayne L. Niederhauser, Senate Chair
Rep. Todd E. Kiser, House Chair
Sen. Curtis S. Bramble
Sen. John L. Valentine
Rep. Tim M. Cosgrove
Rep. John Dougall
Rep. Gage Froerer
Rep. Kevin S. Garn
Rep. Wayne A. Harper
Rep. Christine A. Johnson
Rep. Carol Spackman Moss
Rep. Evan J. Vickers
Rep. R. Curt Webb

Members Absent:

Sen. Ross I. Romero
Sen. Howard A. Stephenson
Rep. Susan Duckworth
Rep. Francis D. Gibson
Rep. Gregory H. Hughes
Rep. Stephen E. Sandstrom

Staff Present:

Mr. Phillip V. Dean, Policy Analyst
Mr. Robert H. Rees, Associate General Counsel
Ms. Rebecca L. Rockwell, Associate General Counsel
Ms. Angela Oakes Stallings, Associate General Counsel
Ms. Phalin L. Flowers, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Kiser called the meeting to order at 2:33 p.m. He excused Sen. Romero, Rep. Duckworth, and Rep. Gibson from the meeting. Chair Kiser noted that Mr. Rees would be replacing Ms. Stallings as a staff member for the Committee due to changes in staff in the Office of Legislative Research and General Counsel. He thanked Ms. Stallings for her work and welcomed Mr. Rees to the Committee.

Sen. Valentine noted that Sen. Niederhauser was elected as Senate Assistant Majority Whip.

MOTION: Rep. Vickers moved to approve the minutes of the August 19, 2009 meeting. The motion passed unanimously with Rep. Dougall, Rep. Froerer, and Rep. Webb absent for the vote.

Rep. Froerer gave an update on the property tax working group.

Ms. Rockwell gave an update on the local option transportation sales and use taxes working group.

2. Insurance Premium Tax on Utah Variable Life Insurance Premiums

Mr. Dean discussed *Utah Code Ann.* Section 59-9-101, which was included in the mailing packet.

Mr. Paul Rogers, representing Fidelity Investments, expressed gratitude to the Legislature for their willingness to make changes to the insurance premium tax on Utah variable life insurance premiums. He noted that the change in revenue has been inconsequential at this point, but recommended continuing the rate reduction.

Mr. Doug Foxley, representing TIAA CREF, spoke in support of keeping the rate reduction on insurance premium taxes on Utah variable life insurance premiums.

MOTION: Sen. Valentine moved to recommend that the rate reduction on insurance premium taxes on Utah variable life insurance premiums be continued on the basis of the anticipation of potential future benefits, and to indicate that the Committee is not able to precisely determine the long-run cost of the rate reduction due to current economic conditions. The motion passed unanimously with Sen. Niederhauser absent for the vote.

3. Imposition of Property Taxes by Local Entities with Non-Elected Boards

Mr. Dean distributed and discussed "Distribution of Property Taxes" and "Local/Special District Property Tax." He also discussed "Local District and Special Service District Property Tax and Total Revenue Amounts," which was included in the mailing packet.

Mr. LeGrand Bitter, Association of Special Districts, discussed "Legislation Dealing with the Taxing Authority of Appointed Service Area, Water Conservancy District and Metropolitan Water District Boards" and "Proposed Draft for Limited Referendum," which were included in the mailing packet.

Mr. Bitter and Mr. Fred Finlinson, representing the Utah Water Coalition, discussed the Association of Special Districts' proposal on how to address the taxing authority of local entities with non-elected boards.

Mr. Ron Mortensen, representing Citizens for Tax Fairness, asked that the Committee keep taxpayers in mind when considering this issue.

4. Other Items / Adjourn

MOTION: Rep. Johnson moved to adjourn the meeting. The motion passed unanimously with Sen. Bramble, Rep. Dougall, and Rep. Garn absent for the vote.

Chair Kiser adjourned the meeting at 3:55 p.m.